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# AGRICULTURAL OUTLOOK DIGEST

ECONOMIC RESEARCH SERVICE • U. S. D. A. • WASHINGTON, D. C.

AOD-79 JULY 1961

Mid-year prospects: Total crop output for 1961 is expected to be down 7 percent from the record output of 1960. Lower production is expected for all farm products in 1961, a decline of about 3 percent from last year's peak and the first decline since 1949.

Forecast for smaller harvests this year stems from the expected sharp drop in total planted and harvested acreage compared with a year ago. Important factors in reduced acreages: (1) Participation in the Feed Grain Program....(2) Water shortages in the intermountain and southwestern States....(3) Drought conditions in the Northern Plains.

Major cuts in production are indicated for corn and sorghum, resulting from sharp acreage reductions under the Feed Grain Program. Corn harvested for grain is expected to be 3.2 billion bushels, down 18 percent from the 3.9 billion bushels of 1960. Sorghum grain acreage is reported at 26 percent less than a year ago.... oat and barley production also is lower.

Food grain production probably will be down from last year's high levels. The drought has caused sharp decreases in harvested acreages of spring wheat; expected production of 142.8 million bushels, compared with 246.4 million of 1960, would be the smallest spring crop since 1936. Estimates of total wheat production: 7 percent less than last year.

Here are other 1961 harvest and acreage forecasts based on July 1 conditions. Tobacco crop is expected to be close to 2 billion pounds, nearly 2 percent above last year and the largest crop since 1956. Soybean planted acreage will probably set a record with estimates of 27.1 million acres, up 15 percent from the year before. Sugar crop output on the mainland, U. S., should reach an all-time high as record harvests are likely for both sugarcane and sugar beet crops. With planting restrictions lifted on both sugar beets and sugarcane, farmers are increasing their acreage.

FARM INCOME--Realized net income of farm operators for the first half of 1961 was estimated at an annual rate of \$12.6 billion, up 12 percent from the first half of last year, and about 7 percent above the revised estimate for all of 1960. Total cash receipts from farm marketings in January-June 1961 were more than 3 percent higher than a year earlier with prices received by farmers averaging slightly higher than in 1960. Government payments to farmers were up sharply from a year ago, reflecting payments under the Feed Grain Program. Production expenses were slightly higher with cost rates, in the main, holding stable.

LIVESTOCK--Output of livestock and livestock products for 1961 is likely to be around 4 percent higher than last year. Marketings are also expected to be higher. Hog prices this summer will probably average nearly as high as those of last summer but a drop in the fall to below last year's levels is expected. Fed cattle prices seem likely to hold relatively steady during the next few months, averaging lower than year-ago levels.

POULTRY AND EGGS--Broiler prices during June dropped to an all-time low but have risen slightly since. Supply for market was a record high. Prospects this summer are for prices to continue at low levels and for production to continue substantially above a year ago.

Egg prices later this year are likely to average lower than in the same period of 1960. Production will probably be up about 4 percent, reflecting a higher average rate of lay from a flock that will rise to 2 percent above a year earlier.

DAIRY--Milk output for the first half of this year was 1 percent higher than in the first half of 1960. For the second half, output is also likely to be higher than a year earlier; and for all of 1961, production will probably exceed 124 billion pounds compared with 122.9 billion pounds in 1960.

FEED--Total corn-for-grain supply for 1961-62, based on July 1 prospects, is estimated at 5.2 billion bushels, about 505 million bushels less than last year's record supply. Smaller supplies of oats and barley are also expected, largely as a result of drought conditions in the Northern Plains. Sorghum acreage for harvest is estimated at 13.9 million acres, down 4.9 million from 1960.

Feed grain prices are being influenced by acreage reductions under the Feed Grain Program and prospects for 1961 crops. Prices of corn and sorghum in recent months have been strengthened. Reasons: (1) The large amounts of 1960 crop grains placed under price support, which have tightened free supplies; (2) The higher supports for the 1961 crop. With smaller total production of feed grains expected this year, seasonal weakness in prices this summer and early fall is expected to be much less than usual.

COTTON--Disappearance of cotton in the U. S. for the 1961-62 marketing year is estimated at about 14.8 million bales, about the same as in the 1960-61 marketing year. Mill consumption will probably be up from last season while exports are expected to fall below. Carryover on August 1, 1961, is estimated 0.3 million bales below a year earlier and the lowest since 1953.

VEGETABLES--Supplies of most vegetables this summer are expected to be lighter than those of last summer. In prospect are substantially less summer cauliflower, cucumbers, lettuce and early summer dry onions and moderately less early summer tomatoes. Output of summer watermelon will probably be down about 10 percent from last year, but cantaloupes are expected up 6 percent.

FRUIT--Total supplies of fresh fruit are expected to be somewhat larger this summer than last. Production of deciduous fruit is up this year; remaining supplies of citrus are a little larger than a year ago, partly because of late-maturing crops. Because of heavier supplies, July prices for most deciduous fruit at major shipping points averaged below a year earlier. But prices for citrus have changed little from year-earlier levels.



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